Private investors in Tourism Industry

674. SHRI SHANTARAM LAXMAN NAIK: Will the Minister of TOURISM be pleased to state:

(a) whether Government has any scheme for participation of private investors in tourism industry;

(b) if so, the details of the scheme;

(c) the States in which private investment in tourism industry has been encouraged; and

(d) the details thereof?

THE MINISTER OF TOURISM (KUMARI SELJA): (a) to (d) The Ministry of Tourism provides financial assistance to State Governments/Union Territory Administrations for tourism projects on the basis of project proposals received from them subject to availability of funds. However, the Large Revenue Generating Projects promoted by the Private Sector and Public Private Partnership projects are also eligible for financial assistance from Ministry of Tourism under the scheme of Assistance for Large Revenue Generating Projects applicable to all States/Union Territories in the country.

Hotels and Hospitality Industry

675. SHRI MAHENDRA MOHAN: Will the Minister of TOURISM be pleased to state:

(a) whether Government has submitted any plan to Ministry of Finance to give tax holiday for new hotels and include hotels in the infrastructure development;

(b) if so, the details thereof and the action that has been taken to give boost to hospitality industry to promote tourism in the country;

(c) whether Government has assessed the requirement of accommodation in the next four years; and

(d) if so, how many rooms are likely to be added in both private and public sector in the next four to five years and what would be shortfall?

THE MINISTER OF TOURISM (KUMARI SELJA): (a) and (b) On the request of the Ministry of Tourism, the Ministry of Finance has announced a 5 year Tax Holiday in the budget of 2007-08, for new hotels of 2, 3 and 4 star category coming up between 1.4.2007 to 31.3.2010 in the National Capital Territory of Delhi and the districts of Faridabad, Gurgaon, Gautam Budh Nagar and Ghaziabad. A five year Tax Holiday was also announced in the budget of 2008-09 for hotels of 2, 3 and 4 star category located in all UNESCO declared World Heritage sites (except Mumbai and Delhi) which start operating w.e.f 01.04.2008 to 31.3.2013.

(c) and (d) The estimated requirement of additional hotel rooms in the country is 1,50,000. Construction of hotels is primarily a private sector activity and highly capital intensive with a long gestation period.